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How Could the Lower Courts' Loss of Nationwide Injunction Power Impact Your Business?



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On June 27, 2025, the Supreme Court issued its decision on review of three federal court orders that have blocked—on a nationwide basis—implementation of President Trump's executive order restricting so-called "birthright citizenship" under the Fourteenth Amendment of the Constitution (whereby a child born in the United States "and subject to the jurisdiction thereof" is automatically deemed a citizen regardless of parental status). The Court's 6-3 decision in *Trump v. CASA*, which fell along ideological lines, declined to review the merits of the administration's executive order but granted the administration's request to "partially stay the injunctions" entered by the courts. In so doing, the Court repudiated the concept of universal or nationwide injunctions, effectively removing lower courts' ability to issue such injections. Justice Amy Coney Barrett, writing for the majority, stated that such nationwide orders "likely exceed the equitable authority that Congress has granted to federal courts."

In challenging these orders, the administration did not argue the substantive merits of the executive order but instead challenged the scope of relief. A nationwide injunction occurs when a federal judge issues a court order that prevents the enforcement of a challenged law, regulation or government policy across the United States. Such injunctions extend to all relevant persons or entities, regardless of the parties involved in litigation. In surveying the history of federal courts' "equitable" authority, rooted in the High Court of Chancery in England, the Court found no basis for such universal application, finding that "suits in equity were brought by and against individual parties." Finding universal injunctions to be of recent vintage, the Court concluded that no authority exists for their implementation.

Previous Effects on Employers

The Court's decision eliminating the lower courts' ability to issue nationwide injunctions will affect employers. Previous suits have seen nationwide injunctions block several employment regulations. These include the Federal Trade Commission's ban on non-compete agreements, the Department of Labor's attempt to increase the salary threshold for overtime exemptions under the Fair Labor Standards Act and the federal interpretation of the word "sex" to include gender identity under Title VII and Title IX.

Potential Outcomes of the CASA Ruling

Under the Court's decision, an injunctive order issued by a district court judge will now only cover the specific parties involved in litigation. With this lack of universal effect, we expect to see a rise in litigation claims and an increase in litigation time. The Court suggested that individuals may use class action suits to seek far-reaching court orders. The majority recognized that the ruling requires a narrower concept than a universal injunction to enact relief and instead stated the focus is on providing "complete relief between the parties" in a particular case.

Without nationwide injunctions available to halt governmental orders, governmental agencies and the executive branch may have more freedom to implement sweeping policies. The content of these policies may affect your businesses if they target employees or employer regulations. Parties seeking broad injunctive relief may turn to class action lawsuits.

A broader evaluation of the Supreme Court's decision leaves many questions unanswered regarding the impact of lower court decisions on those businesses or individuals not party to the lawsuit. The decision also is likely to create procedural bog that typically occurs when gathering and certifying a class for a class action, leading to lengthy delays in the future challenges to potential governmental overreach.

If you have any questions about how the *CASA* ruling impacts your business, [please reach out to the team at Gould & Ratner](#).